



May 6, 2010

Scott Berman, Acting Chief
Operating Officer, CDFI Fund, U.S.
Department of the Treasury
601 13th Street, NW., Suite 200 South
Washington, DC 20005

Reference: Comment to Federal Register Notice – Request for Public Comment: Community Development Financial Institutions Fund, Community Development Financial and Technical Assistance Awards, Native Initiatives, and Bank Enterprise Awards [Docket No. FR- Doc. 2010–4786]

Dear Mr. Berman:

I write today on behalf of Cook Inlet Lending Center (CILC) to submit comment on the above referenced notice issued by the Department of the Treasury (Department) on the Community Development Financial Institutions (CDFI) Fund.

CILC is a social enterprise of Cook Inlet Housing Authority (CIHA), established as a 501(c)(3) non-profit in 2001 and certified as a CDFI in 2004. Since 2002, the CDFI has benefitted from four Native American CDFI Assistance (NACA) awards totaling \$1,398,000 in Financial Assistance and \$346,096 in Technical Assistance. CILC's parent entity, CIHA, is the Tribally Designated Housing Entity for Cook Inlet Region, Inc. —an area that spans more than 45,000 square miles.

As a CDFI, CILC provides a unique range of financial products and services in economically distressed target markets, such as mortgage financing for low-income and first-time homebuyers.

In the above referenced notice, the Department poses questions with regard to the CDFI Fund on issues relating to Native Initiatives. The relevant questions posed by the Department and CIHA and CILC's related comments are as follows:

QUESTION: *Should the CDFI Fund seek statutory authority to make the NACA awards permanent?*

COMMENT: Yes. Seeking statutory authority to make NACA awards permanent is vital to ensure that community members underserved by traditional financial institutions are given access to capital. Without such authority, underserved and impoverished communities' access to capital may cease. **For the foregoing reasons, the Department should seek statutory authority to make the NACA awards permanent, regardless of market conditions.**

QUESTION: *What other services should the CDFI Fund provide to Native Communities?*

COMMENT: The CDFI Fund successfully provides Technical Assistance (TA) and Financial Assistance (FA) grants that are crucial to the continued success of Native CDFIs. **The CDFI Fund should continue to focus its resources on TA and FA grants. The CDFI Fund should avoid providing other services at the risk of depleting funds or preventing the allocation of further funding to TA and FA grants.**

QUESTION: *What improvements could be made to Native Initiatives and, in particular, to NACA awards?*

COMMENTS:

- Newly established Native CDFIs are often dependent on NACA awards. The time period between submission of an application for a NACA award and the announcement of the award can present unique challenges for newer CDFIs that more established CDFIs with greater resources and consistent funding sources are less likely to confront. **For this reason, the CDFI Fund should expedite the time period between submission and the announcement of NACA awards for less established Native CDFIs.** An expedited time period between submission and award announcement would be beneficial to newly established CDFIs and the communities they serve.
- For new CDFI Fund award recipients, the CDFI online system for data entry and reporting is complex. **The CDFI Fund should provide sponsored trainings on the online system that are accessible to new users prior to reporting deadlines.**
- CILC and its parent entity, CIHA, support the objective of the Native Initiatives Strategic Plan FY 2009-2014 to sustain and advance established Native CDFIs through key actions, including increasing opportunities for participation in other CDFI programs. Among CDFI programs, CILC is specifically interested in participating in the Bank Enterprise Program. However, the necessary engagement of a local FDIC-insured bank is a challenging undertaking for newly established CDFIs. **The CDFI Fund should continue to encourage FDIC-insured banks to serve their Native Communities by creating an explicit funding priority for such activities.**

QUESTION: *Should there be a limit on the number of technical assistance grants an applicant can receive?*

COMMENT: No. TA grants enable existing CDFIs to pursue sustainability through planning, market research, and technology. As Native CDFIs evolve, their technical assistance demands increase and become more sophisticated. TA grant awards facilitate Native CDFIs in strengthening their internal stability and financial structure

through TA funds, irrespective of their status as an emerging or a more established CDFI. **For the foregoing reasons, there should not be a limit on the number of TA grants an applicant can receive.**

QUESTION: *Should the CDFI Fund provide "seed funding" financial assistance grants to non-certified, emerging Native CDFIs for the purpose of increasing lending in Native Communities?*

COMMENT: No. The CDFI certification process and the competitive FA grants process are critical. They require lenders to demonstrate a commitment to achieving and maintaining a high level of performance. **At minimum, non-certified Native CDFIs' progress towards CDFI certification should be measured before any "seed funding" financial assistance grants are awarded to non-certified Native CDFIs.**

QUESTION: *Many Native CDFIs have grown and expanded their reach in recent years. Is there a point where a Native CDFI should be seen as having "graduated" from NACA financial assistance and be required to compete for a CDFI financial and technical assistance award? If so, what should be the criteria?*

COMMENT: No. Once Native CDFIs have "graduated" in terms of capacity, they will naturally gravitate toward the larger and more competitive Core pool of funding. As indicated above, TA provided by the CDFI Fund to Native CDFIs is key to CDFIs' sustainability at different stages in their growth and maturity. Mandating "graduation" at a certain point in a CDFI's development could be premature, detrimental to its sustainability, or redundant. **There should not be a designated point at which Native CDFIs should be seen as having "graduated" from NACA financial assistance and be required to compete for a CDFI financial and technical assistance award.**

I value the opportunity to submit comment to the Department of the Treasury on behalf of CIHA and CILC on the above referenced notice issued by the Department on the CDFI Fund. The Department's consideration of such comment is appreciated.

Respectfully submitted,


Carol Gore
President/CEO